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16 January 1961

337. ~~ICJ Condemns Apartheid in South Africa~~ 25X1C10b
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Early in December 1960, the International Commission of Jurists (ICJ) issued in Geneva a report condemning the policies of apartheid pursued by the South African Government. It spoke, for instance, of the regulations regarding passes which it said "resulted in flagrant abuses of the law involving arbitrary arrest and detention" and created a situation "of which certain aspects can be described only as legalized slavery." No less disturbing, the report found, are the negation of social rights, of free choice in the matters of marriage or religious worship, restriction of assembly, and liquor prohibition." The report warned the South African Government that the continuation of its apartheid policy "might soon lead to even more widespread internal violence than has already been experienced." In its report, entitled "South African and the Rule of Law," the ICJ, a non-governmental organization which has consultative status with the UN Economic and Social Council, held that the "application of the principle of apartheid" is "morally reprehensible and violates the rule of law." The commission had asked a prominent UK lawyer, Mr. Elwyn Jones, to visit South Africa last May and June to obtain material for its report. During his visit, Mr. Jones says in his statement on his mission (which is included as Appendix A of the ICJ report), his "purpose was to enquire into the state of human rights and fundamental freedoms in the Union." During this visit also he heard two days of the evidence at the inquiry that followed the Sharpeville riots, where 69 Africans had been killed. He said that he found some of the evidence "surprising in a country which has had a notable tradition of respect for the law." One witness, who "shared the fearlessness of the Africans," said that when the police came to arrest him they took away two of his books: Cry the Beloved Country by the South African Alan Paton and Up From Slavery by the American Booker T. Washington. He concludes his report by saying that if the recently introduced measures are continued and proposed legislation (on Censorship and on the Bar) is enacted the non-whites of South Africa will have been deprived of "almost all the Human Rights and Fundamental Freedoms set out in the United Nations' Declarations of Human Rights"; and "the whites of South Africa will have suffered the grievous impairment of those same Rights and Freedoms. South Africa will then be a police state."

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338. Strontium 90 in Soviet Grain

On 23 November 1960, the Associated Press and the London Daily Telegraph reported that a recent sampling of grain imported into the United Kingdom from the USSR showed over five times as much strontium 90 as grain imports from North America. As the Daily Telegraph puts it, "If the grain sample does give an accurate picture of the radioactivity present in Soviet foodstuffs, it can only be concluded that the average Russian consumes much more strontium 90 than western people." And on 25 November 1960, the Norwegian State Grain Monopoly published a report revealing that high strontium 90 content had been detected in grain growing in Norwegian coastal areas, and attributing this to rain-borne strontium 90 being carried across Northern Europe from the East. Strontium 90 is a product of nuclear explosion which is retained by the human body for decades, tends to accumulate in the bones, and may cause such diseases as bone cancer and leukemia.

Countries importing grain from the USSR include Cuba, Brazil, the Sudan, Denmark, Italy (rye and barley only), Norway, Portugal, West Germany, Finland, France, Sweden, Yemen, the UAR (both parts), Yugoslavia, Iraq and Ethiopia. Incidentally, the UAR received Soviet wheat in 1957 which was badly contaminated from having been stored on a Russian dock normally used for insecticides; it was reported in the spring of 1958 that a number of people died because they ate bread made from this wheat. In June 1958 the Egyptian Ministry of Supply was still trying to trace a number of sacks of this grain. Presumably the grain recently tested in Britain was mainly wheat. The Soviet people still probably eat more rye than wheat bread, though the proportion of wheat bread eaten has increased since World War II; one of Khrushchev's aims in the New Lands program is to increase the supply of white bread. But rye is generally grown in the same areas as wheat, and therefore is exposed to approximately the same radiation. Bread, moreover, is a more important part of the diet in the USSR than in the West. Further, the outer portions of the grain, such as are used in Russian black bread and in feeding cattle, contain more than 20 times as much strontium 90 as refined flour.

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339. Castro's Second Birthday Celebration

Fidel Castro paraded a large array of Bloc armament through the streets of Havana on 2 January 1961 in celebration of the second anniversary of his seizure of power. At least 15 JS-2 heavy Russian tanks, 15 T-34 medium tanks, and 19 assault guns, a number of Soviet jeeps, truck-mounted six barrel 280mm rocket launchers and four barrel anti-aircraft guns were displayed. The armored fighting vehicles and some of the artillery are World War II models no longer in use by the Soviet armed forces. However, with the exception of tanks delivered to Egypt in 1956 during the Suez crisis, no Soviet heavy tanks have been supplied to any other non-Bloc country. Following the armament, marched Castro's militia, including "youth workers brigades," armed with bazookas and women "volunteer teachers," carrying Czech automatic weapons. Castro's speech, which was a typical emotional harangue, accused the US of planning an invasion "within a few hours" and reached a crescendo designed to appear as a perfect example of "peoples democracy" in action. Castro proclaimed his determination to demand the US embassy be limited to eleven persons, which, he said, was equal to the size of the Cuban Embassy in Washington. On 3 January, the US government announced it was severing diplomatic relations with Cuba.

These were the central events of a series of important developments and trends which marked the end of Castro's second year of rule in Cuba. They included both actions revealing a growing awareness on the part of other American countries of the threat Castro's Communist-oriented regime posed for nations in the Western Hemisphere, and further indications of the mounting seriousness of the threat itself. On 26 December 1960, President Benito Nardone of Uruguay made a blistering attack on the Cuban regime in a television program. He warned that paid agents of Communist imperialism were spreading Castroism in Uruguay, perhaps the most liberal and stable democratic government in South America. A week earlier a Venezuelan student organization had passed resolutions condemning Cuban machinations in that country. On 30 December, the government of Peru announced that a number of incriminating documents had been seized from the Cuban Embassy in Lima, several directly linking the Cuban Embassy with support of the Peruvian Communist Party. Peru, the next day, severed diplomatic relations with Cuba in protest. (With the US break, a total of 6 American nations have broken relations with Cuba.) On 31 December, Cuba delivered a letter to the UN Security Council demanding censure of the US for planning an invasion. The UN Security Council took up this protest on 4 January and dismissed the charge on 5 January by adjourning without vote on the matter.

Meanwhile Communist parties, front groups, and other leftists in various Latin American countries stepped up campaigns in support of Castro although, so far, with only moderate success. Plotting against the government of Guatemala increased. Fourteen members of the Communist-front April and May Revolutionary Party (PRAM) of El Salvador traveled to Havana for the anniversary celebration and to receive guidance and material support for their efforts to control the new ruling junta in their country. The growing influence of pro-Castro and pro-Communist elements in El Salvador was revealed in the decision of the new government to reduce US aid programs. One project was shut down on 24 December and another will soon be closed. In Uruguay, on 3 January, the Communist Party issued an appeal for Uruguayans to "rise up in the defense of the Cuban people". On 5 January a crowd of demonstrators burned an American flag

In Cuba itself, the trend toward almost total involvement with and dependence on the Bloc was the striking development of the second year of Castro's rule. In addition to the military equipment already noted, Bloc economic assistance, generally, is now the essential feature of the Cuban economy. Bloc shipments now include foodstuffs, motor vehicles, machinery, and other goods formerly purchased almost exclusively from the US. In 1960, Bloc countries pledged to import 2,500,000 tons of sugar, or 45% of Cuba's main crop. In 1961 the Bloc has agreed to take 4,000,000 tons. The Bloc, since the July 1960 seizure of Western oil refineries by Castro, has supplied all Cuba's oil. The Bloc will account for at least 60% of total Cuban trade in 1961 and Cuba could become the chief non-Bloc trading partner of the Soviet Union. Moreover, the Soviet Union, Communist China, Czechoslovakia, and Hungary have extended a total of \$208,000,000 of long-term credits to Cuba. Bloc technical assistance for projects underwritten by these credits, is already assuming large-scale proportions.

On the other hand, opposition to Castro within Cuba has undoubtedly grown in the closing months of 1960. At first Castro attempted to play down this unfavorable development. He has now switched to dramatic claims of US preparations of invasion - the major theme of his UN protest. Specific evidence of his concern was the establishment of a block warden informant system, which he publicly announced on 28 September. The leading group opposing Castro is the Democratic Revolutionary Front (FRD). The FRD has been increasingly active throughout Latin America as well as in Cuba. In the last week in December, Castro announced the arrest of several men who he claimed were FRD members, and charged them with a series of major sabotage acts, including \$1,000,000 worth of damage to the Castro government's TV station. After these arrests Castro mounted his campaign against the US to an almost hysterical level and by 6 January had turned Havana into an armed fortress. 25X1C10b

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340. Antoine Gizenga

Antoine Gizenga, who was Vice Premier of the Congo in the ousted regime of Patrice Lumumba - at present in protective custody by order of the Army chief Colonel Joseph D. Mobutu - has declared himself (in the continued absence of Lumumba) the lawful chief of government of the Republic of Congo. He has moved the seat of government from Leopoldville to Stanleyville, the capital of Oreintale Province and a Lumumba stronghold. Arms and supplies have reportedly been carried across Sudan to Stanleyville in Soviet-made aircraft from the UAR. Stanleyville has become a city filled with fear. Europeans fear for their lives as trigger-happy Congolese soldiers with loaded guns parade through the streets. The soldiers are controlled by the red-tinged (if not Communist) regime of Gizenga. A top official of the Stanleyville government, Bernard Salumu, a 27-year-old radical politician who served for a while as Lumumba's secretary, is now reportedly in Cairo seeking military and financial aid from the UAR. Antoine Gizenga was born in Leopoldville Province on 5 October 1925. He has been a teacher in the St. Charles (Catholic) School in Leopoldville where, until recently, he resided. He did not come to the attention of the authorities until the formation of the Provisional Central Committee of the African Party of Solidarity (Parti Solidaire Africain-PSA) of which he was first president and then president general. Gizenga was the founder of the PSA (March 1959) and is reportedly close to some of the less savory elements of the ABAKO (Alliance des Bakongo) Party, although he has declared himself as being opposed to the latter political group. In late 1959 and early 1960 he visited extensively in Czechoslovakia (where he attended a course on Africa), East Germany, and the USSR. He has been in favor of a unified Congo administration and is believed to support a regime of the "People's Democracy" Communist type. He is said to be a shifty and somewhat taciturn person, an extremist, and one who was apparently much impressed by what he had observed in 1959-1960 of the Eastern European regimes and also of developments in Guinea, which he has also visited. A mulatto West African woman, Madame Blouin, who was present in Leopoldville and had much influence during the Lumumba regime, was reportedly his mistress until forced to leave the Congo Republic.

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10 January 1961

341. Worker Self-Management in Yugoslavia

REVISIONIST

The first proposals for the introduction of Workers' Councils in Yugoslavia were made in December 1949. In June 1960, the law on Worker Self-Management was passed. The dates are significant: in 1948 Yugoslavia was expelled from the Bloc and, as an independent Communist state isolated between East and West, was obliged to find immediate, viable applications of its Marxist-Leninist political theories.

"It was in 1949, when the problem of abolishing administrative-centralist management of the economy had become even more pressing, that it became clear that the economy must be freed to the greatest extent possible of administrative controls and of all consequences which they entailed." (Tenth Anniversary of Worker Self-Management in Yugoslavia; Socijalizam, Vol. III, No. 3, May-June, 1960).

In order to meet the economic challenges entailed by its expulsion, Yugoslavia had to find ways to increase production efficiency and stimulate the interest of the individual worker. The pertinent passage from the December 1949 Instruction of the Economic Council of the Government of the Federal People's Republic of Yugoslavia reads:

"To fully realize the constitutional principle of the direct participation of the workers in administration and in economic control, as well as to engage the workers as actively as possible in the struggle to fulfill the plans, Workers' Councils are established in state economic enterprises."

Tito referred to the passage of this law as "the most significant historical act of the National Assembly since the passage of the law on the Nationalization of the Means of Production." He added that the law would develop the gigantic creative forces of the workers because it would further improve the "prospects for the worker's future as well as those of our entire society."

Gradually, it became clear to the Yugoslav leaders that the application of the principle of worker self-management required a reorganization of the entire economic system.

"In the beginning, the Workers' Councils were merely a democratic, political instrument by means of which it was possible to change material relations. The next step was to actually change them which required a basic reorganization of the entire economic system in the direction of maximum decentralization of economic administration. In this phase, we also set about making changes in the wage system in order gradually to create complete self-management of the workers' collectives in production and distribution, limited only by the plan for the over-all allotments and by the regulations governing all state organs" (Kardelj speech to the Fifth Congress of the Association of Socialist Working People of Yugoslavia.)

The Yugoslavs however, bearing in mind the mistakes of Soviet haste, and apparently more aware of the serious problems involved in real social change, advocated gradualism.

"A characteristic feature of this development is the gradual nature of the transfer of the material and other rights to the organs of worker self-management which has been introduced through the development of the material base." (op. cit.)

~~SECRET~~

In early 1952, the system of detailed state plans was abandoned in favor of a system of collective plans. During 1952, producers' councils were introduced into the people's councils and, in 1953, into the national assemblies. In early 1953, the Federal Constitutional Law was passed according to which the right of the producers to management of the enterprises and to the distribution of surplus labor was proclaimed as their constitutional right. During 1954, basic funds were transferred to the complete self-management of the workers' collectives, and a transition was made from administrative financing and credit grants to a system of competitions for investments and operating funds. During 1957, the Law on Working Relations was passed according to which the basic rights of working relations, including the regulation of internal relations within the collectives, were transferred to the Workers' Councils. In early 1958, laws and regulations were passed concerning the distribution of gross income according to which rights were conferred on the workers' funds and personal income.

"On the basis of the ideas and results of worker management, there gradually arose one after the other organs of social self-management in other fields of social life. Today, this is entirely normal and clear but ten years ago when we began by means of the workers' councils to surpass the phase of administrative management of the economy and society, when the beginning of the system of social self-management was anticipated, when it had become apparent that this was the beginning and the path of the withering away of the state, many things did not appear so simple and clear." (op. cit.)

Yugoslavia is still seeking the most effective means of implementing the principle of worker self-management. One of the difficulties is to find for each work unit (shop, group or individual) a distribution policy which embodies the socialist principle of payment according to work produced.

"It is important to emphasize that there is not and there cannot be an over-all solution for all economic areas and branches; therefore, there cannot be one single regulation by means of which it would be possible to successfully regulate all this. There is a specific path for industry, for agriculture, for construction, for trade, etc. However, within the scope of each branch, there are only some common, general solutions, while the concrete solutions must be found in each enterprise according to its specific conditions. This approach is being inaugurated and developed during 1959 and 1960 as "compensation according to over-all result.... Emphasis is being placed on the shops and the economic units and only within them on the individual. In practice, all of the results of labor and business transactions are measured for each shop and economic unit. Purely economic relations are compared among the shops and the economic units, which means essentially that the distribution is made according to the total labor of each of them or of each individual within them.... In practice, the direct participation of the immediate producers is being developed both in discussions and making of decisions. In some places, such meetings are called an assembly of the economic unit. In

some places, a permanent chairman of this assembly is elected. In some places, the assembly is convened by the trade union, and in some places by the administration management of the economic unit. Thus, we are approaching a qualitatively new situation in the development of worker self-management in which the immediate producers are directly making decisions concerning several very important problems which have been put within their jurisdiction by the regulations and ruling of the Workers' Councils. This approach is more and more successfully working to eliminate the last vestiges of bureaucracy within the enterprises." (op. cit.)

Of particular interest is the Yugoslav view that the worker's new position, serving as it does to increase his socialist consciousness, will reduce state participation in the distribution of the products of industry and decrease the state role in general. Whereas the Soviet Union claims that all means of production must belong to the state in order to prevent the exploitation of man by man, the Yugoslavs say that exploitation of man by the state must also stop, and oppose worker self-management to state ownership. They regard with considerable scepticism the Soviet claim that the workers own everything because the state does. According to Belgrade, if state property is really to become public property it must be turned over to the producers; state property must not be administered by a bureaucracy but by the producers themselves. Only then does it really belong to the people, i.e., to those who produce it. According to Yugoslav theory, the socialist state should limit itself to creating the material prerequisites for productive development and to safeguarding the spontaneous development of socialist forces. The task of building socialism is up to the people. In this way only is the construction natural and vital.


"Today, this problem has a broader significance than providing a stimulus for more productive work and better cooperation of enterprises. For, together with the solution of the problem of production, we are solving the central problem of the correct development of socialist relations in general, the problem of overcoming bureaucracy as a socio-economic category, as the remnant of state property relations, the problem of a definitive stabilization of socialist relations and the freest possible relations among persons." (Kardelj speech to the Fifth Congress of the SSRNJ).

The Yugoslav leaders are convinced that their successes in building an autonomous state based on the practical application of Marxist principles to specific local conditions and to the demands of an underdeveloped economy is of general significance and has a particular appeal to those countries of Asia, Africa and South America who, from anti-colonial prejudice or impatience with the slower methods of traditional Western parliamentarianism are inclined to regard some form of Marxian-socialism as more suited to their needs.

"The tremendous interest which prevails throughout the world in our worker self-management clearly shows that the prospect which worker self-management has opened for our working class has not remained and could not remain of significance merely for our country.... The 10-year period of worker self-management has brought significant and well-known material results. It has solved numerous problems and opened prospects

for the further development of social relations, all of this under the conditions of a relatively backward material base and the relative youthfulness and inadequate organization of the working class. (op. cit.)

Actually, the significance of Yugoslavia's experiment in National Communism lies not so much in the limited successes it has achieved to date but in its potential for the future, and in its influence on other Socialist-inclined countries as an alternative to orthodox state-bureaucratic communism of the Soviet or Chinese variety. There is little reason to believe that at present the Yugoslavs are preparing to actually reduce state controls, or to significantly curtail the role of the Yugoslav Communist Party (still predominant at all economic and political levels) or to reduce the continued - if somewhat diminished - repressive activities of the secret police as the mechanism for perpetuating party control. However, while genuine socialist progress is being retarded in the Soviet Union by an addiction to state centralism and bureaucracy as well as by a continued adherence to a dogmatic and stagnant interpretation of Marx and Lenin, the Yugoslavs have been obliged by circumstances to adapt Marxism-Leninism to modern conditions. Moreover, rather than giving in completely to the temptation to perpetuate an ubiquitous and omnipotent state apparatus they are ostensibly making a serious attempt to find practical and viable means of increasing worker participation in local economy and government. 25X1C10b



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342. The Pathet Lao and the ICC as Obstructions to Peace in Laos

The International Control Commission, composed of representatives from India, Canada and Poland, was set up in Laos as a result of the Geneva agreements of 1954 for the purpose of finding a peaceful way of integrating the Pathet Lao forces in the political and military life of Laos. The Viet-Minh-supported Pathet Lao had continuously represented an obstructionist element within the country and had been the source of discordance and warfare throughout the country and clearly had no intention of merging itself into the life of the country and of contributing toward its peaceful economic development. Every move it made was aimed at but one thing, the eventual total control of the country.

Because of its composition and the conditions under which it was designed to operate, the ICC at no time exerted pressure on the Pathet Lao to force it to cooperate with the Government. Because of the ICC's cumbersome methods and the fact that the Indian representative almost always supported the position of the Polish representative in favor of the Pathet Lao, the investigative authority of the ICC was continually thwarted by the delaying tactics of the Indian and Polish members which made it impossible to check on any complaints made by the Laotian Government.

The agreement in 1957 which was finally brought about between the Government and the Pathet Lao was in no way the work of the ICC but resulted from a personal agreement between the then head of the Government, Souvana Phouma, and his half-brother, Prince Souphanouvong, head of the Pathet Lao. It was clear, therefore, that the ICC could subsequently serve no further purpose and it was logical that the Government of Phoui Sananikone should request it to leave in July-August 1958.

In spite of continuous demands from the Soviet Government since 1958 that the ICC be reactivated in Laos, the USSR has now refused to agree to the proposal of the Governments of India and the UK, agreed to by the US, that the current situation warrants the recall of the ICC. The obvious reason for the sudden change in Soviet tactics is that acceptance of this proposal no longer suits their purpose. They do not wish to acknowledge the legitimacy of the Boun Oum Government now in power and prefer to aggravate the current situation by claiming that the ousted Souvanna Government is the legitimate Government of Laos.

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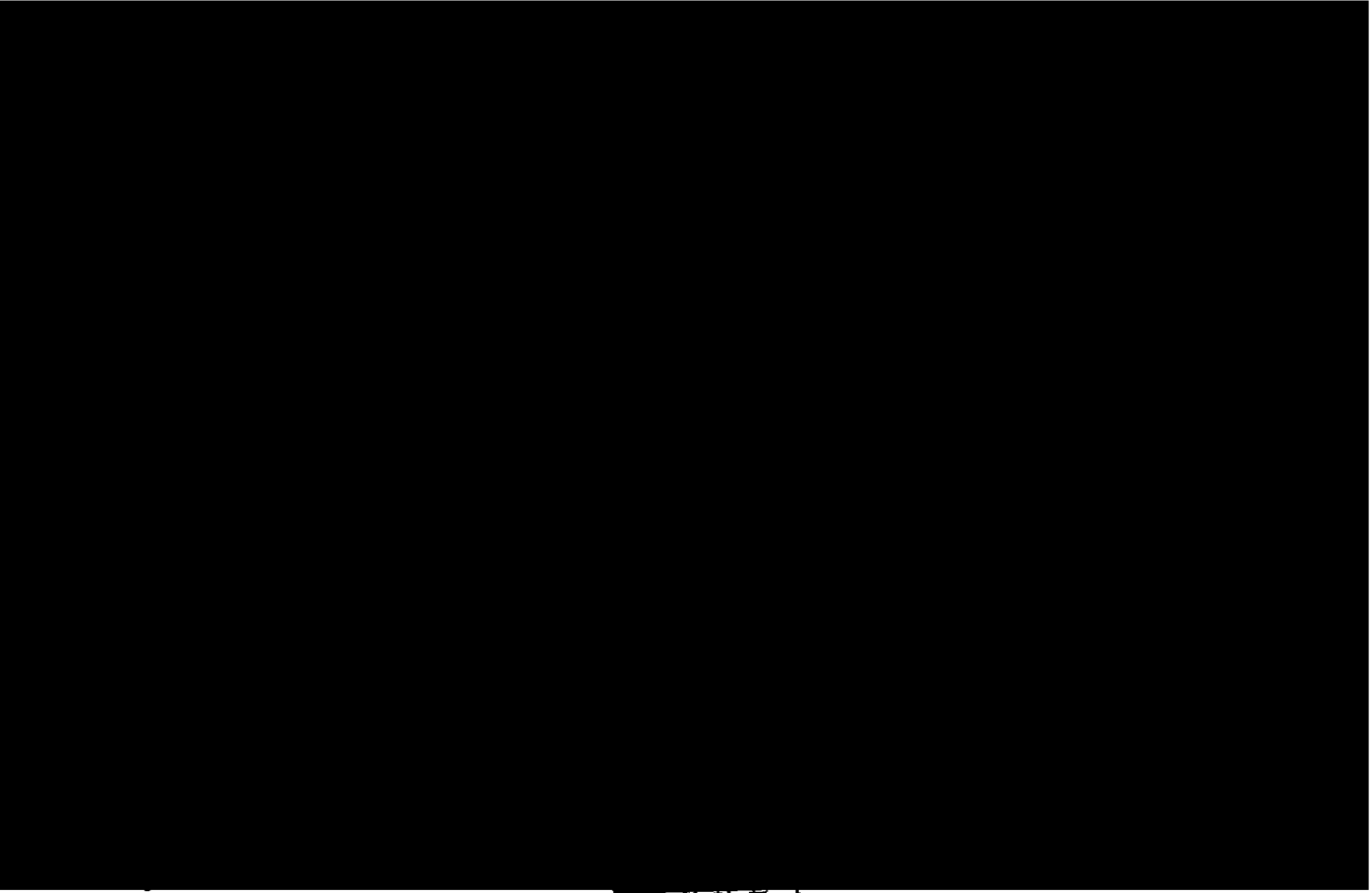
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Just before the meeting of the Albanian Central Committee on 19 and 20 December 1960, West German Communist leader Walter Ulbricht, speaking at a SED Central Committee meeting, accused the Albanian comrades of having pursued a "dogmatic and sectarian" line during the recent bloc conference in Moscow. Subsequently, this charge was published in Neues Deutschland (18 December 1960). It is significant as an unusual example of specific public criticism of one satellite leadership by another. Thus far, neither Moscow nor the European satellites have repeated Ulbricht's attack. Although it is possible the Ulbricht, who has frequently shown a preference for an orthodox Stalinism closer to the Chinese "road" than to that of Khrushchev, chose this method of reassuring Moscow of his own loyalty, it is more likely that the accusation was instigated by the Soviets themselves. Ulbricht's criticism, therefore, might presage a concerted bloc campaign to force Albania back into the fold. However, continuing silence on the part of the other satellites would suggest that Ulbricht's accusation was intended to serve notice on Tirana of the type of pressure which Moscow was prepared to bring to bear if the Albanian regime persisted in its heresy.

Despite Soviet and bloc efforts, Tirana apparently has refused to modify those policies and attitudes which have brought it into conflict with Moscow. At the Central Committee meeting on 19 and 20 December, the party took an equivocal and non-committal attitude on ideological issues in dispute at the Moscow conference, possibly in the belief that by evading these issues it can avoid further antagonizing Moscow while continuing to develop its relationship with Peking. The Central Committee announced that the long-awaited Fourth Party Congress would be held beginning 13 February. This meeting may shed some light on Albania's future allegiance. 25X1C10b



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TENTH ANNIVERSARY OF WORKER SELF-ADMINISTRATION IN YUGOSLAVIA

by Mika Spiljak

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TENTH ANNIVERSARY OF WORKER SELF-ADMINISTRATION IN YUGOSLAVIA

[The following is a translation of an article by Mika Spiljak in Socijalizam (Socialism), Vol. III, No. 3, Belgrade, May/June 1960, pages 3-14.]

On 27 June of this year 10 years will have passed since the passage of the Law on Worker Self-Administration. The law represented the result of a certain practice which in our country has expressed itself in the development of the first advisory workers' councils. Specifically, in December 1959 in the Instruction of the Economic Council of the Government of the FNRJ [Federativna narodna republika Jugoslavije - Federal People's Republic of Yugoslavia] and the CV [Centralno vijece - Central Council] of the SSJ [Savez socijalista Jugoslavije - Association of Socialists of Yugoslavia] which was signed by the now deceased comrades Boris Kidric and Djuro Salaj, the introduction of workers' councils was proposed. What need there was for them and what role was assigned to them is seen from the Instruction which, among other things, states:

"For the purpose of the full realization of the constitutional principle of the direct participation of the workers in administration and in the execution of economic control as well as for the purpose of the most active possible engagement of the workers in the struggle for the execution of plan tasks workers' councils are established in state economic enterprises."

The aforementioned instruction and the practice which followed it and subsequently, the Law on Worker Self-Administration were preceded by specific analyses of our development up to that time. It was precisely these [analyses] that clearly showed the need for asking new paths and forms in the further development of socialism, especially in the development of socialist relations. It is not by chance that the solution was sought first of all in production, in the discovery of production relations such as would make possible the most rapid development of production forces and the full development of socialist social relations. It was in 1949 when the problem of abolishing administrative-centralistic management of the economy had become every more pressing that it became clear that the economy must be freed to the greatest extent possible from administrative controls and all of the consequences which they brought with them. The consideration of these new problems, that is to say, the contradictions in the development of a socialist society, threw new light on the theses of Marx and Engels concerning the association of direct producers, the withering away of the state,

etc. It became clear that, while keeping in mind further long-range development in a socialist society, it was necessary to seek concrete forms and solutions and to verify them in official practice. The problem was all the more complicated for the fact that production forces, the material base of society, were at a comparatively low level at which it was especially necessary to take into consideration the small number and the relative youthfulness of our working class.

Boldness in testing out new methods, the revolutionary ardour and initiative of the working masses who had just emerged from a victorious revolution, and the monolithic unity of the entire nation about the Communist Party of Yugoslavia and Comrade Tito were factors and forces which made it possible with certainty to set about the solution of these new problems. The relatively short period from the Instruction of December 1949 until June 1950 best attests to all of this and to the readiness of the workers' collectives to rapidly adopt and put into practice the idea of worker self-administration. This was sufficient for the first workers' councils to be created and for their influence to make itself felt. It was precisely on the basis of their experiences that the first Law on Worker Self-Administration was passed whose tenth anniversary we are celebrating.

Concerning the significance of the Law on Worker Self-Administration the following thoughts of Comrade Tito are pertinent which were expressed in connection with the drafting of it:

"The passage of this law will be the most significant historical act of the National Assembly since the passage of the Law on Nationalization of the Means of Production... Precisely this administration will develop the gigantic creative forces among our working people, because this law will open still further prospects for the working people, for their future, and for the future of our entire society."

Today, after 10 years of verifying these ideas, we once again find their confirmation in our practice. Socialist Yugoslavia is known today throughout the world not only for her heroic struggle but also for worker self-administration and for the position and rights of the working class which are derived from it. The tremendous interest which prevails throughout the world in our worker self-administration clearly shows that the prospect which worker self-administration has opened for our working class has not remained and could not remain of significance merely for our country.

The workers' councils created since the passage [of the law] did not immediately have all of these material and other rights which they possess today.

"In the initial phase, the workers' councils were merely a democratic, political instrument by means of which it was possible to change material relations. The next step was to actually change them which required an essential reorganization of the entire

economic system in the direction of maximum decentralization of economic administration. In this phase, we also set about making changes in the wage system with the prospect of gradually creating full self-administration of the workers' collectives in production and distribution, limited merely by the social plan for the over-all proportions within the economy and by the general regulatory measures of state organs. Under such conditions, self-administration by the workers in the field of administration of production had to more and more acquire its concrete material content - precisely in the results in the field of distribution.

"The idea and content of worker self-administration in production therefore lies primarily in the fact that it makes it possible and to an ever greater extent will make it possible for the workers' collective to directly influence distribution, that is to say, within the limits of the plan for approved over-all social distribution to independently distribute the fruits of labor." (Kardelj, speech to the Fifth Congress of the SSRNJ /Savez socijalistikog nadnickog naroda Jugoslavije - Association of Socialist Working People of Yugoslavia/).

Therefore, in order for the workers' councils to be able to develop into a factor which independently administers the enterprises and to acquire that social role which they have today, it has been necessary, first of all, to gradually change the entire economic system. Thus, at the beginning of 1952, a transition was made from the system of detailed state plans to a system of social plans of basic proportions. During 1952, councils of producers were introduced into the people's councils and in 1953, also into the national assemblies. At the beginning of 1953, the Federal Constitutional Law was passed by which the right of the producers to administration of the enterprises and to the distribution of the surplus of labor was proclaimed as their constitutional right. During 1954, basic means were transferred to the complete self-administration of the workers' collectives, and a transition was made from administrative financing and granting of credit for the economy to a system of competitions for investments and operating means. During 1957, the Law on Working Relations was passed by means of which the basic rights in working relations, among them being included also the regulation of internal relations within the collectives, were transferred to the workers' councils. At the beginning of 1958, laws and regulations were passed concerning the distribution of gross income by means of which rights were conferred on the workers' councils to make independent disposition of net income by distributing it among funds and personal income.

A characteristic feature of this development is the gradual nature of the transfer of the material and other rights to the organs of worker self-administration which has been introduced through the development of the material base. The more rapidly the numerous cadres matured and the rights of the workers' councils

grew, the more their responsibility to the collective and to society increased and the more they became a school for the masses of the working class. The rapid development of our economy during the last 10 years and especially since 1952 when the more significant transfer of material and other rights to the workers' councils began best demonstrates the force and vitality of worker self-administration. The tremendous initiative which worker self-administration creates and further develops in the workers' collectives is leading more and more in the direction of including all workers in the process of administration.

With the appearance of worker self-administration in the economy the entire depth and significance which it would have in the further development of society as a whole could not be immediately and entirely clear. Only after the first experiences which were acquired in worker self-administration especially in the field of the initiative of the working people and in the changing of social relations did it become clear that its essence could not be restricted merely within the workers' collectives. The richer and greater the experiences and results in worker administration within the collectives were, the more rapidly did the idea mature concerning the creation of organs of self-administration in other fields of social activity. Thus, on the basis of the ideas and results of worker administration there gradually arose one after the other organs of social self-administration in other fields of social life. Today, this is entirely normal and clear, but 10 years ago when we began by means of the workers' councils to surpass the phase of administrative management of the economy and society, when the beginning of the system of social self-administration was anticipated, when it had become clear that this was the beginning and the path of the withering away of the state, many things did not appear so simple and clear. It is precisely in this rapidity of the maturing both of ideas and of revolutionary practice to which the greatest contribution was made by the transfer of rights and responsibilities to the millions of the masses that the greatest significance of worker self-administration lies.

It is entirely clear that the principle of worker self-administration could not long remain merely in the domain of production, merely within the economic enterprises. It had to grow rapidly into all social fields and relations. It was not possible in production to develop new relations in which the direct producers made decisions ever more independently and in the social services for old relations to be retained without the influence of the direct producers. This would mean to connect the interest and attention of the workers merely to the problems and life of the collectives. For practical purposes, it would mean to exclude them from the other social development.

To be sure, this would in fact in the course of time have to lead to the undermining of the role of the workers' councils even

within the enterprises themselves. Specifically, without the expansion of the principle of worker self-administration to all fields of social life the direct producers would not be in a position to properly consider all aspects of their own interests or the problems both of their own collectives and of the broader economic and social bodies. It is understandable that such a situation would lead to the making of incorrect and one-sided decisions by the workers' councils and would more and more result in the neglect of broader social interests. The direct producer would find it difficult to overcome narrow and limited views of problems on whose solution depends the satisfaction of his interests. All of this would unavoidably lead to the compromising of the organs of worker self-administration and to the reduction of their actual role, to their gradual deterioration into an empty form.

Conversely, when the direct producer more and more becomes an active subject in the development of all social activities he himself also is more and more fully developed into a conscious social force. He becomes capable of grasping the entirety of social problems and of finding the best solutions also for internal questions of his own enterprise. It is precisely in this sense that worker self-administration has been operating in our country. In order that its essence might be realized it has of necessity generated identical processes also outside of the economy in all fields of social life. Thus, in fact, the phenomenon of workers' councils has brought with it the development of a broad network of various organs of social self-administration and their interpenetration and coalescence in the cell of our new social organism, the commune.

It is precisely for this reason that organs of social self-administration in all social fields and services began to be developed very rapidly after the workers' councils. The communal system which arose out of this process has sustained such development and has opened further prospects for it. The 10-year period of worker self-administration has brought significant and well-known material results. It has solved numerous problems and opened prospects for the further development of social relations, all of this under the conditions of a relatively backward material base and the relative youthfulness and inadequate organization of the working class. Precisely this shows what conditions and possibilities are going to be created in the subsequent period when we shall be in possession of a far more developed material base and of a more numerous, more mature, and better organized working class after 10 years of worker self-administration.

This fact in and of itself requires and raises the need for further developing socialist social relations. Precisely the further development of socio-economic relations is the prerequisite for liberating the initiative of gigantic social forces which only a socialist society can put at the service of more rapid progress. In

this sense the role of the workers' councils is of fundamental importance for the over-all development of social relations. On the basis of them social self-administration has been founded, and on the further development and elaboration of the essence of worker self-administration also depends the further development of social self-administration in general.

The present degree of material and social development makes possible and requires steady progress in developing the mechanism of worker self-administration. This requires both a surge of economic development and the fact that the workers' collectives independently make disposition of part of the surplus of labor, net income, and that they themselves establish the policy of internal distribution and compensation. All of this has posed new tasks and new problems for worker self-administration. By means of regulations and a policy of setting trends the social unit establishes the limits and the basic intent, and the organs of worker and social self-administration make concrete policy. The basic problem in this connection which all workers' collectives have encountered and which worker self-administration is encountering at the present moment is how, by means of a concrete policy of internal distribution, to carry out the socialist principle of distribution according to labor for every shop, more limited group, and individual. But under our conditions, precisely by means of worker self-administration all of these economic relations are unfolding and being progressively developed. The solution and realization of the socialist principle of compensation according to labor are being sought. It is important to emphasize that there is not and there cannot be an overall solution for all economic areas and branches and there cannot be one simple solution. Therefore, there cannot be one single regulation by means of which it would be possible to successfully regulate all of this. There is a specific path for industry, for agriculture, for construction, for trade, etc. However, within the scope of each branch there are merely some common, general solutions, while the concrete solutions must be found in each enterprise according to its concrete conditions. Therefore, the greatest burden and responsibility lie precisely on the factors within the enterprise, above all, on the organs of self-administration by means of the independent disposition of net income to find concrete solutions for the realization of the socialist principle of distribution and compensation according to labor.

This process is being undertaken in our economy and is rapidly being developed during 1959 and 1960 as "compensation according to over-all result" (nagradjivanje po kompleksnom ucinku), although, essentially, in its social significance it has a much broader meaning than might be concluded from this designation. In this process emphasis is being placed on the shops and economic units and only within them on the individual. In practice, all of the results of labor and business transactions are measured for each

shop and economic unit. Purely economic relations are compared among the shops and economic units which means essentially that distribution is made according to the results of the work of each shop and economic unit, according to the total labor of each of them or of each individual within them.

What is there that is new here that is created in practice? While, until the time of this process, results of work were checked merely for the enterprise as a whole, no records were being kept and no one knew of the concrete contribution of the individual shop or economic unit. Some were operating better, others more poorly, but this was concealed within the enterprise as a whole, and average receipts were the same for the entire enterprise. The administration of the enterprise kept records concerning all of this, but concrete decisions were made by the workers' council regardless of whether the enterprise had 100 or 10,000 employees. In such a situation the workers' councils did not have an insight into the results of work nor the possibility for influencing distribution. Hence, they were not able to influence the subordinate economic base. All of the efforts and pressures for the formation of shop workers' councils and the desire that they influence business transactions produced only partial results, or in any case inadequate results in proportion to the efforts invested. Better organization of the enterprises and checking on the over-all business transactions by shops and economic units, checking on their over-all work, is creating new conditions for the further development and elaboration of worker self-administration. Not only are the shop workers' councils acquiring a material base and the possibility of full affirmation, but the immediate producer in the economic unit is acquiring a position from which he can directly influence business policy of the economic unit and thereby the policy of the entire enterprise.

This new process in our collectives which quite rightly is tending toward the closest possible connection of internal distribution with the shops, the economic units, and the individual for measuring their over-all labor as correctly as possible, makes possible and requires that worker self-administration be adapted to it to the greatest degree possible. It cannot remain merely in the workers' council of the enterprise but it must be brought as close as possible to the shop, the economic unit, and especially, to the direct producer, and this must be done to the extent to which distribution is brought closer and transferred to the shops and economic units. There is not and there cannot be a recipe for this process. Each enterprise and its organs of self-administration must build and through their own regulations govern the new relations which are arising within the collective. Precisely this makes possible the development of initiative of each collective, of the shop, of the economic unit, and of the individual. Herein lie the power and essence of worker self-administration. It is interesting that the process of transfer of the material base to the shops and economic

units and the concrete measures for distribution among them here and there are being developed more rapidly than the process by which worker self-administration is being adapted to this and to such development. To a certain extent, this is normal, however, in the succeeding period it can become harmful to the extent that all social forces and subjective factors might not be engaged in the coordination and the social direction of these very positive processes. Without the proper orientation and effective action of all social factors, processes may little by little acquire a technocratic character and create various difficulties. It should be expected that all factors, above all, those in the enterprises will more and more acquaint themselves with the profounder aspects of the problem of more rapid adaptation of worker self-administration to processes of distribution by shops and economic units.

Experience thus far shows that shop workers' councils are being created in the shops, that certain material and other rights are being transferred to them, and within these limits their activity is being developed. In addition, the economic units are transferring some of their common tasks and problems together with part of their means to the shop councils. Here also, according to conditions, there are diverse variants in concrete practice. Such experience has been different in the development of self-administration in the economic unit. As a rule, an organ of self-administration is not established in it. All blue and white-collar workers of the economic unit directly consider and make decisions at their meetings concerning economic problems and other rights which are transferred to their competence. Usually, this includes working relations, the distribution of personal income, part of the fund for general consumption, part of the amortization fund intended for support of investments, and other matters. Concerning these and other problems, in practice, direct participation of the immediate producers is being developed in the consideration of and making of decisions concerning them. In some places, such meetings are designated an assembly of the economic unit. In some places a permanent chairman of this assembly is elected. In some places the assembly is convened by the trade union, and in some places by the administration of the economic unit. These are merely some of the extremely diverse solutions thus far discovered and tested in practice.

The fact that distribution and the right of administration are being transferred also to the economic units clearly indicates the extent to which the direct producer today is in a position to find different forms by means of which it will easiest for him to carry out his responsibilities and exercise the rights of the administrator. In this way, we are approaching a qualitatively new situation in the development of worker self-administration where the immediate producers are directly making decisions concerning several very important problems which have been put within their jurisdiction by the regulations and ruling of the workers' councils.

All of these new phenomena are more and more successfully operating for the elimination of the last sources of bureaucracy within the enterprises and are making impossible various procedures which often brought forth justified complaints from the workers. This process is more and more strongly affirming itself within our enterprises. It must be constantly studied, and further paths must be opened for it. It is more and more developing the tremendous initiative of the direct producers and workers' collectives and is providing an impetus for the solution of many problems of further development. The ordering of internal relations, the solution of such problems as the organization of the enterprise, technological processes, norms, further orientation in production, specialization, cooperation, etc. have long since ceased to be problems merely for technical and administrative personnel. They are normally considered at assemblies of the economic units and within the enterprises. Ideas, suggestions, demands, and concrete decisions are made which have resulted in very lively activity in ordering the internal organization within the enterprises and in assuring the most successful operation of them possible. Precisely this initiative which recently has been developed by the elaboration of the essence of worker self-administration has contributed to the so significant results in increasing production and labor productivity.

However, as Comrade Kardelj says, "This problem today has for us a far broader significance than merely the question of providing a stimulus for more productive work and better operation of the enterprises. Along with the solution of this question, here, in fact, is being solved the central problem of the further development of socialist relations in general, the problem of overcoming bureaucracy as a socio-economic category, as the remnant of state-property relations, the problem of a definitive, I would say, historical stabilization of socialist relations, and the freest possible relations among persons." (Kardelj, speech to the Fifth Congress of the SSRNJ).

A powerful process of further development of worker self-administration has begun, and solutions are being found in practice regardless of whether they are all correct. This raises the need in the study of the range of problems of worker self-administration for us to approach these new processes more boldly, for us to study them, and for us to smoothe the way for their development. This requires a definite effort for us to liberate ourselves from some of the hitherto well known schemes and limitations which have been satisfactory as long as accounting and distribution were carried out in the way thus far employed, that is to say, using the enterprise as a whole as a basis and without going into the results of shops and economic units. This will not always be an easy process, since it is desirable that all factors be included and that they assist in its development, that they support everything new and positive so that worker self-administration can be brought still closer to the

immediate producers than it has been in the past. This is the best way for worker self-administration itself to be more and more successfully developed and to produce maximum results in the use of all capacities and in increasing production and productivity.

The aforementioned new processes which are unfolding in the workers' collectives on the basis of the introduction of distribution according to the over-all result are more and more throwing light also on the problems of the system of distribution of the social product in general, that is to say, among other things, on the problems of distribution between society and the workers' collectives.

What is happening today within the enterprises has its own immediate effect also on a broader social plane. New principles of distribution within the enterprises are more and more requiring the further development of the system of distribution as a whole. Therefore, the development of the initiative, the rights, and the actual role of the immediate producers in this field raises their socialist social consciousness to an ever higher level, makes of them well-rounded, developed, conscious, and active subjects in further social transformation.

Understandably, under such conditions the working people are giving ever better consideration not only to their immediate but also to their more remote goals and are more and more clearly expressing their aspirations. Achievements themselves are providing an incentive for them for their expansion, elaboration, and their gradual but swiftest possible dissemination throughout the entire economic and social organism. The efforts of the immediate producers in this direction are, in fact, bringing about a steady reduction of the role of the state and of the state apparatus in the economy and, above all, in the distribution of the social product, naturally in the proportions which make possible the development of the material forces of society. This is also the concrete path for the gradual elimination of the last remnants of the employee relationship within our society.

There was much discussion at the Fifth Congress of the Socialist Association concerning this clear prospect for the further development of the role and rights of the immediate producers in the system of self-administration. Comrade Tito also spoke especially about this in his interview given on 1 May to the newspaper "Rad". "With the introduction and the development thus far of worker self-administration the basic elements of the employee relationship have been liquidated, however during this period some of these elements have not been finally overcome. However, our worker who combines within himself the role of the producer and the role of the administrator is more and more freeing himself from these remnants and will free himself so much the more to the extent that he directly participates in planning, in distribution, and in

carrying out the policy of compensation. Hence, the worker is ceasing to be an employed worker and is becoming a conscious producer to whom is assigned one of the most important roles in our society and who, today, represents the most important factor in our over-all social life."

The first decade of worker self-administration has demonstrated the tremendous possibilities for the development of the creative initiative of the working people. It has clearly marked out the path for the system of worker and social self-administration, and practice has confirmed its correctness. It has likewise demonstrated that in this respect we have emerged onto an open and broad path for the further development of the forms and essence of worker self-administration of which some /of these forms/ are already making themselves clear, while others must be tested in life and practice.

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